



2007 Spring Caravan

Fair Housing – 6 hours Required
Presented by Carmel Streater, PhD

April 17 – Sioux Falls Ramkota, Annex - 3200 W. Maple St.

April 18 – Sioux Falls Ramkota, Annex - 3200 W. Maple St.

April 19 – Watertown Ramkota/Event Center, Cottonwood Rm. - 1901 9th Ave. SW

April 20 – Aberdeen Ramkota, Arikara Rm. - 1400 8th Ave. NW

April 23 – Rapid City Ramkota, Rushmore Rm. – 2111 N. LaCrosse St.

April 24 – Spearfish Holiday Inn, 76 Rm. – I-90 Exit 14

April 25 – Pierre Ramkota RiverCentre, Amphitheatre II – 920 W. Sioux Ave.

Registration begins at 8:15 a.m. Course is scheduled from 9 a.m to 4 p.m.
Pre-registration is required to guarantee admission and is **STRONGLY ENCOURAGED**.
Deadline to pre-register is 5 days prior to each session.

Registration Fee: \$50.00 (including cookies during morning break)
The Commission will retain \$20 of any refunded registration fee.

The SDREC has a strict attendance policy and expects participants to attend the entire session.
For access assistance, handicapped persons may call the Commissions office at (605) 773-3600.

Registration Form can be found on the BACK of this newsletter.

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A Letter From the Chairman

Now that I have a few years under my belt on the Real Estate Commission, I have to comment and say job well done on the 2007 Chili/Oyster feed. It may just be me, but I think this year's event had to be one of the most well attended of the three that I have been invited to attend. Congratulations to SDAR and the SDHBA and its members, as well other groups who either helped host or work at the event.

As mortgage rates continue to hold steady around the 6% range, I am hoping that we will see a resurgence in sales this coming spring and summer. I think many of you may agree and say that the end of 2006 was a difficult time to sell properties. I know that it had slowed down quite a bit in the lending arena, but if 2007 continues on as it has started, we should see the numbers return to a level that we have grown accustomed to.

From time to time I attend the local association's general membership meeting. I found the last meeting to be very informative. A panel of appraisers was brought in to do a Q&A and it was nice to see that they had uniform responses to the questions asked of them. A topic that was of special interest is the effect of seller concessions on an appraised value – especially when the sales price exceeds the listing price of the home. Generally, a lender's underwriter would have an issue with the home selling and appraising for more than it was listed for. Given the fact that many homeowners have gotten into their home with little or no money down, and in some instances, have purchased too much home for their budget, this scenario has unfortunately gotten more common.

Speaking of 100% financing options, in mid November, 2006, SDHDA came out with their Fixed Rate Plus option. With this program, the borrower pays a slightly higher rate than the traditional first time homebuyer loan and SDHDA provides a "gift" of 3% of the amount financed to help with closing costs and/or down payment. In many instances the seller had been providing the 3% to the buyer – now, with this program,

the price of the home would not have to be adjusted to provide the seller with the sales price that they would be willing to accept. In addition, SDHDA has negotiated lower PMI rates for loans that would need PMI – a significant savings to those who may not be able to use USDA RD, VA, or FHA options. Contact your local lender if you have additional questions about these changes.

I hope spring brings along renewed vigor for your real estate markets.

Sincerely,
Brian Jackson



From the Director's Desk

Now that renewal is over for another year, everyone should be in compliance with the Commission. On January 3 and 4, 2007, I wrote 133 letters to responsible brokers informing them that either they or certain associates in their offices were unable to engage in the practice of real estate. The reasons behind the letters ranged from failure to complete continuing education requirements and failure to renew errors and omissions policies to not renewing the license. By January 10th, the majority of the licenses were in compliance. Those that chose to ignore their letters and continued to practice were reported to the Commission for further action.

The Specialized Real Estate Advisory Group recently met and will be making major revisions to the condominium registration forms and reports. Once the group accomplishes this task, it will move on to the topic of commercial brokerage and then to the vacation industry.

If you have any concerns regarding any of these topics, please contact me.

Testing for methamphetamine manufacturing is becoming more popular. You might want to go to www.mapspd.org for information regarding testing and to read up on current meth issues.

I give a big thank-you to the staff and members of the South Dakota Association of REALTORS® for the invitation to the

Chili/Oyster Stew Feed. The chefs outdid themselves this year and it was obvious that a good time was had by all.

DjN

Discharged Military Veterans Offered Incentive in Homebuyer Program

News release from the SDHDA

Discharged U.S. military veterans can now purchase a home through the SD Housing Development Authority's (SDHDA) First-time Homebuyer Program, even if the military veterans have previously owned a home.

The First-Time Homebuyer Program provides low-interest loans for qualified South Dakotans who have not previously owned a home.

"The recently enacted Tax Relief and Health Care Act of 2006 modified federal law and allows our discharged military veterans to purchase a home through this program, even if they have owned a home in the past. I'm honored to announce this incentive for our military veterans," stated Gov. Mike Rounds. "Our military men, women and their families have sacrificed a great deal to protect our country and freedoms. This is one of many ways we can assist our veterans and thank them for their dedication to our country and to South Dakota."

"We are very pleased that this Veteran's Waiver is now part of the First-Time Homebuyer Program," said SDHDA's Executive Director Mark Lauseng. "This will assist our eligible, discharged veterans to obtain more affordable homes." In addition, discharged or released veterans can use a Veteran's Administration (VA) loan to apply for 100% of the down payment costs affiliated with the purchase of a home or any of the other loan types available to them.

Certain qualifications apply. For more information, visit the SDHDA website at www.sdhda.org, contact a local participating lender, request more information by calling 605-773-3181, or write to SDHDA at PO Box 1237, Pierre, SD 57501.



Spring Caravan Featured Speaker, Carmel Streater

Carmel Streater is the current president of both the Real Estate Educators Association and the South Central Educators Group. She is the author of four real estate textbooks and numerous real estate courses in use throughout the country.

She has taught fair housing courses in numerous states across the country and is known for her ability to relate federal and state fair housing laws to every day real estate practice.

She is from Baton Rouge, LA where she worked as a real estate broker from 1971 to 2003. She is a lifetime member of the Million Dollar Round Table in her local REALTORS' Association. Carmel was awarded the DREI designation in 1991.

Carmel's PhD is in Adult Education with an area of specialization in Training and Human Resource Development. She is married to (the long suffering) Ken Streater. Carmel and Ken have three grown children and six grandchildren.

Fair Housing and the Real Estate Licensee

By Carmel Streater, PhD

The original fair housing document, the United States Constitution, promised equal rights to all under the law. Of course, by "all" the founding fathers, who were products of their time, meant all citizens who were male and Caucasian. This notion was successfully challenged in later years. Since the middle nineteenth century the definition of "all" has been expanded a number of times to include non-Caucasian males and finally women. It was primarily at the insistence of newly admitted Midwestern and Western states that women, who worked shoulder to shoulder with their men to settle the territories, were finally granted the vote.

The right to vote was followed by a desire to live where one desired and could afford. The right to live peacefully in the

home and neighborhood on one's choosing is a right that did not come easily or cheaply. Many individuals and groups spent time, money and sometimes blood to accomplish recognition of this right. As in nearly all human rights movements in modern times, the churches led the way in the struggle for free choice of housing.

Now that the fair housing laws are firmly established it is the duty and responsibility of real estate licensees to know and practice the laws. There is often a vast difference between knowledge and practice of the laws, just as there is a difference between all classroom knowledge and field practice. Continuing to offer fair housing courses that are simple re-statements of the laws without accompanying tools to use on the job will not give students the necessary skills to obey the letter and spirit of the laws. A majority of fair housing violations charged against licensees in sales situations are resolved when investigators determine that the licensees knew the laws but were confused about applications of the laws and are willing to make apologies to the filing parties.

What is needed by licensees is a course that first establishes each provision of the law, then, adds the knowledge and skill building needed to translate the law into practice on the job. Licensees also want to know the procedure by which fair housing complaints are investigated, and their rights during the investigation period. They want to hear about real court cases brought against other licensees and how they were decided in the courts. Finally, they want to know what penalties are levied against the guilty.

If this sounds like a tall order, it is. It can be done, however, and has been done in classrooms across the country. We invite you to join us for a unique fair housing education experience.



In Memoriam

The SD Real Estate Commission extends its sincerest sympathy to the families and friends of the following licensee who recently passed away:

Raymond Binstock, Sioux Falls

Transfer of a Broker Associate's License from One Brokerage Firm to Another

The commission office often receives calls regarding the procedure for when a broker associate leaves an office, particularly if he or she is going to work immediately for another brokerage firm.

A Change of Address/Association Form **must be** completed by the broker associate and signed by both the releasing responsible broker and the new responsible broker. The form and a fee of \$15 per license must be submitted to the SDREC office within 10 days of the transfer. Submission of this form allows the broker associate to carry his or her license over to the new office. This form is available on the Commission website at www.state.sd.us/sdrec - click on "Forms and Supplemental Guides".

It is very important that both the releasing broker and the broker associate have a clear understanding of what happens with the agent's listings when he or she leaves a brokerage firm. Broker associates, as well as their clients, are often confused about whether the listings stay with the brokerage firm or go with the agent to the new office. Generally speaking, the listings belong to the brokerage firm; however, it is up to each office to develop its own policy regarding this issue. This information should be spelled out in the office policy manual and understood by all parties.

If the broker associate is not transferring to a new brokerage firm, the releasing responsible broker must immediately return the broker associate's license to the Commission office to be placed on inactive status.

An essential but often overlooked task that needs to be addressed when an agent leaves an office is removing that agent's information from the brokerage office's website. With the majority of consumers now turning to the internet as their primary source of real estate information, it is important that the websites are updated in a timely manner.

Specific questions can be directed to the SDREC office at (605) 773-3600.

Input Needed from Home Inspectors

The following request was received from the Examination Board of Professional Home Inspectors.

An Invitation to Define Your Profession

As an active home inspector, your opinion is valuable to the Examination Board of Professional Home Inspectors. EBPHI develops, maintains and administers the National Home Inspector Examination for 19 states that regulate home inspectors.

In spring of 2007, the National Home Inspector Examination will conduct an electronic survey to ask home inspectors their opinions about the day-to-day practice of home inspection. The results of that survey will help shape the content of the exam in future years.

We need literally hundreds of home inspectors from across the country to participate in this study. Here's a chance to be a part of defining your profession for the future!

To register to participate, simply log onto our website at www.homeinspectionexam.org and fill in your name, address and e-mail in the box provided. Rest assured this contact information will be kept strictly confidential. The survey itself will be sent to you electronically in the spring of this year.

Thank you in advance for your valuable input!

New Licensees

Auctioneer

Kraft, Josh J – Britton
Lentsch, Lucas J – Britton
McCloud, Gary – Hoven
Ulmer, Randy – Ashley, ND
Wieman, Michael E – Marion

Broker

Borgmeyer, John M – Omaha, NE
Hansen, James L – Crofton, NE
Hauck, Michael A – Sioux Falls
McAmis, Melissa "Missy" A – Cora, WY
McCarty, Kimberly P – Box Elder
Rossow, Naomi R – Herreid
Straw, Mike W – Pipestone, MN
Welch, LaNay R – Akron, IA

Broker Associates

Ahlers, Jenny – Whitewood
Allart, Jaylynn J – Deadwood
Anderson, Luke D – Rapid City
Barthel, Jeffrey L – Lead
Beck, Julie – Ipswich
Becker, Deena L – Sioux Falls
Bonkosky-Montefusco, Erica – Rapid City
Burchatz, Vickie L – Watertown
Camp, Jessica – Sioux Falls
Clark, Zachary R – Rapid City
Ekholm, Christopher J – Sioux Falls
Garry, Lisa A – Sioux Falls
Grapentine, Tammy – Hot Springs
Helland, Colleen A – Sioux Falls
Herrity, John P – Elk Point
Hollan, Marcia J – Rapid City
Horstman, Sara B – Apple Valley, MN
Huls, Rhonda S – Watertown
Huntley, Rob D – Rapid City
Jobgen, Tanner – Rapid City
Johnson, Larry J – Merced, CA
Keffeler, Brian G – Whitewood
Knight, John L – Rapid City
Kraft, Josh J – Britton
Lambrechts, Angela J – Milbank
Leibel, Marty – Belle Fourche
Lentsch, Lucas J – Britton
Munsch, Marci J – Rapid City
Pearson, Royce A – Wentworth
Petz, Alicia D – Spearfish
Pisciotta, Janet Faye – Lead
Portz, Emilie A – Brookings
Richards, Jason L – Spearfish
Rogers, Teri K – Sioux Falls
Schaffer, Tanya M – Huron
Schulz, Krysti L – Piedmont
Simmons, Jr., Thomas J – Sioux Falls
Smith, Kenneth E – Hermosa
Tveit, Charles L – Aberdeen
Uhrig, Naomi – Rapid City
VanZee, Douglas W – Canton
Villafructe, Kristine A – Lead
Wilch, III, Gabriel B – Sioux Falls

Home Inspectors

Blecha, Daniel R – Rapid City
Boll, Patrick M – Sioux Falls

Property Manager

Anderson, Sally – Rapid City

Residential Rental Agent

Capp, Sharon A – Belle Fourche
Eberlein, Kellie – Pierre
Fickbohm, Candee J – Sioux Falls
Larson, Charles A – Mitchell

Long, Judy K – Sioux Falls
Myers, Kathryn "Kay" A – Sioux Falls
Perleberg, Mark R – Parker
Reiss, Ramona – Sioux Falls

Salesperson

Barber, Franklin I – Waterloo, IA
Brown-Kemerling, Toni C – Rozet, WY
Burkett, Janet K – Sioux City, IA
Schmidt, Dennis – New Ulm, MN
Sherman, Jocelyn L – Sioux City, IA
Theil, Doris I – Omaha, NE

Timeshare Agent

Songstad, Lukas R – Rapid City

South Dakota Real Estate VIEW

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Articles by outside experts express the author's particular viewpoints. These opinions are not necessarily shared by the Commission, nor should they be mistaken for official policy. The articles are included because they may be of interest to the readers.

Continuing Ed Corner

Blogging on the Brain; Wikis on the Web

By Karen Callahan, Education Director

Internet blogs have become an increasingly popular form of communication on the web. For those that are unfamiliar with the term, a blog is simply a shortened version of the term "weblog". It is a website or a feature of a website whereby the host can offer information, opinions and thoughts for people to view and post replies. Blogs can be hosted by individuals or organizations such as local news media, as a means to get public feedback on current news and issues affecting the communities they serve. Blogging is quickly becoming a fixture on many websites and covers every topic imaginable – politics, news, travel, hobbies – even real estate.

A "wiki", like a blog, also encourages comments and posts from the general public. But where a blogsite is hosted and generally maintained by an individual or organization, a wiki is more of a "repository" of information, contributed and edited entirely by the people who use it. "Wiki" is a Hawaiian word meaning "quick" and essentially is a collection of web pages that can be edited by anyone, anytime from anywhere. One of the most well-known wikis is Wikipedia, an online encyclopedia that is a collaborative effort written by its regular contributors and readers.

So what do wikis and blogs have to do with real estate continuing education? In the traditional sense of how education is usually defined, not much. Unlike attending a class or completing an approved on-line course, one cannot earn CE credit by simply surfing the internet. However, the vast amount of knowledge out there, freely available to those that seek it, should not be overlooked. Many of the real estate blogs and wikis feature regular article postings from highly-regarded leaders in the industry. For instance, our spring caravan speaker, Carmel Streater, is one of the many featured experts who contribute to the real estate blogsite www.realblogging.com. Blogs and wikis are not hard to find. Simply use any search engine, such as Google, and type in "real estate blog" or "real estate wiki" into the search box.

If real estate professionals are not taking advantage of these resources, there's

a good chance that their customers are. Consumers are now turning to the Internet more than any other source for information on buying homes, using real estate as an investment tool or to market their own properties. Today's Generation Y, young adults primarily in their twenties, views the internet as a way of life, not just as a nifty gadget. They've embraced the internet as a reliable means of obtaining information and as a legitimate source of education. These sources include not only designated, organized institutions like universities, education providers or industry news services, but also informal, unconventional resources like blogs and wikis.

Continuing education is more than what is defined in the License Law Book and mandated by the Commission as a requirement for license renewal. It is a life-long process for everyone and we are fortunate to have such a wealth of information at our fingertips. So - log on, start surfing and happy learning!

Non-Renewals

The following licensees had not renewed their licenses as of February 21. Any license not renewed by the expiration date is canceled. If the license of an active firm or active qualifying broker is not renewed, all licenses hanging in that office must be returned to the Commission office. If your name appears on the list in error or you wish to reinstate the license, please contact the Commission office.

Active Auctioneers

Haines, Wayne W – White Lake
Simon, Steve N – Groton

Active Broker Associates

Barnard, Melissa – Rapid City
Cobb, Richard L – Sioux Falls
Deadrick, Cindy R – Platte
Egeberg, Lori K – Brookings
Falor, Jennifer L – Mitchell
Groseth, Carol A – Yankton
Jacobs, Holly A – Onida
Kloiber, Dorothy A – Sioux Falls
Medema, Betty J – Sioux Falls
Osterloh, Katherine J – Alcester
Pastian, Sarah H – Lakewood, CO
Pedersen, Robby – Arlington
Sammeli, Dorinda C – Rapid City
Thoreson, Kathryn A – Sioux Falls
VandenBosch, Keith D – Harrisburg
Vardsveen, Brock M – Arlington
Wood, Dwight M – Sioux Falls

Active Brokers

Anderson, Dennis D – Coon Rapids, MN
Berg, Richard A – Fargo, ND
Bermel, Bruce C – Pine River, MN
Denner, Larry K – Cedar Falls, IA
Diebold, Rene K – Granite Falls, MN
Faragher, Linda M – Aurora, CO
Fortak, Dorothy A – Spearfish
Gallegos, Carol J – Chandler, AZ
Gengler, James P – Sioux City, IA
Hernandez, Monica D – Brighton, CO
Hines, Ronald – Sioux Falls
Janssen, Roger F – Crofton, NE
Kilander, Donald J – Fargo, ND
Kirby, Steve T – Sioux Falls
Larsen, Lavern T – Sun City West, AZ
Moses, Darby N – Golden, CO
Parks, James A – Sioux City, IA
Robinson, Christine B – Valentine, NE
Schomp, Joyce A – Chamberlain
Smoot, Alan L – Rapid City
Swann, Kevin L – Fargo, ND
Utzman, Brian L – Rapid City
Voorhees, Patrick R – Highmore
Ward, Richard A – Fargo, ND

Active Home Inspectors

Day, Thomas D – Mitchell
Ekholm, Christopher J – Sioux Falls
Glanzer, Scott L – Rosemount, MN
Gottschalk, Charles – Rapid City
Grigg, Tony – Sioux City, IA
Hanisch, Bradley J – Dell Rapids
Holden, Merle E – Colome
Hovdenes, Terry D – Sioux Falls
Klemann, William C – Rapid City
Kolleck, Scott – Elk Point
Murfield, Gary – Sioux Falls
Oehlerking, Andrew W – Spearfish
O'Hara, Patrick A – Yankton
Olson, Allen G – Sioux Falls
Petit, Daron L – Tea
Skliris, Dave L – Rapid City

Active Property Managers

Byers, Norma K – Spearfish
Cobb, Richard L – Sioux Falls
Westhoff, Ellen – Sioux Falls

Active Residential Rental Agents

Kinstad, Jonathan – Sioux Falls
Pavlacky, Doris – Watertown

Active Salespeople

Arndorfer, Jodi K – Hettinger, ND
Graham, Gary D – Peterson, IA
Johnson, Paul A – Fargo, ND
Karrer, Judith K – Sioux City, IA
Kirk, Joseph G – Sacred Heart, MN
Leines, Theodore A – Hackensack, MN
Oberg, Christopher H – Sioux City, IA
Peterson, Tristin D – Appleton, MN
Pries, Daniel L – Wayne, NE

Struchen, Steven M – Marshall, MN
VanderWeide, Michele L – Sioux City, IA
Waibel, Martin L – Plymouth, MN
Williams, Shannon J – Redfield

Active Timeshare Agents

Hermanson, John – Rapid City
Iams, Miriam C – Rapid City
Sjoland, Sandra K – Madison
Stetler, Gary L – Rapid City

Inactive Auctioneers

Jensen, William R – Roslyn
Sorlie, Mark E – Hawarden, IA

Inactive Brokers

Anderson, Bruce V – Wagner
Blake, Randall B – Sioux Falls
Bond, Wayne L – North Platte, NE
Carpenter, Van Myron I – Pagosa Springs, CO
Claggett, Dave L – Spearfish
De Castro, Manuel J – Madison
Foster, Donald L – Huron
Hinson, Milton R – Casa Grande, AZ
Hoogeveen, Raymond E – Luverne, MN
Kahler, John E – Bella Vista, AR
Leamy, Darrell J – Sioux Falls, SD
Lebert, Kirstin – Waubay, SD
Marguth, Terry R – Redwood Falls, MN
Olthoff, Rodney R – Lakota, IA
Osborne, Robert D – Wilmot
Trainer, Alvin (Al) L – Rapid City
Van Leuven, Lois, D – Ephrata, PA
Wahl, Jeffrey D – Sioux Falls

Inactive Broker Associates

Adams-Frasier, Dorothy A – Rapid City
Atherton, Jill M – Huron
Baker, Daniel O – Canton
Barker, C. Deane – Sioux Falls
Billars, Marlene R – Annapolis, MD
Boldt, Kimberly S – Sioux Falls
Boon, Kyla A – Rock Rapids, IA
Buse, Rachel – Tea
Crowe, Joel – Sioux Falls
Davids, Megan R – Mithcell
DenBoer, Peggy L – Sioux Falls
Dodds, Penny L – Box Elder
Donelan, Pamela E – Sioux Falls
Driver, Gretchen – Sioux Falls
Dumke, Jennifer L – Sioux Falls
Emmert, Debra L – Newcastle, WY
Evans, Lonnie T – Piedmont
Fossen, Sylvia I – Hot Springs
Gatzke, Kenneth H – Rapid City
Gilman, Darlene J – Watertown
Gustafson, Morgan A – Rapid City
Haggart, II, Tim F – Piedmont
Hall, Todd J – Henderson, NV
Hancock, Ona J – Box Elder
Hansen, Ellen J – Estelline
Hansen, Kenneth D – Estelline
Hauser, Jr., William E – Rapid City

Haywood, Polly L – Omaha, NE
Hendrickson, Jacalyn K – Arnolds Park, IA
Holzer, Patricia – Fargo, ND
Hurley, Tamara F – Sioux Falls
Jeffries, Judy K – Spearfish
Koehler, Thomas J – Sioux Falls
Kracht, Steve – Mitchell
Logsdon, Kimberly A – Rapid City
Lounsbery, Cara D – Hutto, TX
Manitz, Christine A – Worthington, MN
Muller, Seth J – Sioux Falls
O'Neal, Lanny L – Brandon
Pehringer, Jason – Box Elder
Persing, Steven C – Sioux Falls
Peterson, Bonnie L – Thornton, CO
Peterson, Robert M – Sioux Falls
Pockrandt, Amber N – Brandon
Potts, William H – Rapid City
Rathbun, Teresa M – Rapid City
Roth, Deborah A – Parker
Roth, Mary O – Spearfish
Ruiz, Laura Lynne – Rapid City
Russell, James H – Rapid City
Schmalz, Matthew K – Brookings
Scott, Alan M – Rapid City
Seykora, Michael J – Lincoln, NE
Sneed, Sebron S – Sioux Falls
Sohre, Tom N – Sioux Falls
Stueve, Shanna D – Johnson, MN
Sundby, John D – Rapid City
Synsteliien, Donovan – Rapid City
Teeslink, Tammy T – Round Rock, TX
Thomas, Jean – Rapid City
Thorpe, Penny L – Piedmont
Thurman, Troy S – Mission Hill
Wahl, Douglas D – Black Hawk
Wallem, L. Arvene – Tabor
Williams, Trevor J – Gilbert, AZ
Wilson, Candace M – Sioux Falls

Inactive Home Inspectors

Coyne, Patrick J – Rapid City
Dewsbury, Michael B – Custer
Fuhs, Richard R – Parker
Martin, Patrick D – Aberdeen
O'Hara, Timothy J – Yankton
Schultz, H. Dean – Sioux Falls
Thallas, Stacy – Sioux City, IA

Inactive Property Managers

Coyne, Peggy L – Rapid City
Hanssen, Adam L – Centerville
Riss, Cindy A – Rapid City
Swier, David A – Brandon
Thoreson, Kathryn A – Sioux Falls

Inactive Residential Rental Agents

Adams, Andrea M – Sioux Falls
Bakker, Cynthia R – Sioux Falls
Bertsch, Amy A – Yankton
Bierschbach, Vicki L – Brookings
Carr, Debra K – Deadwood
Engelson, Kathy M – Sioux Falls

Farnham, Heather L – Kranzburg
Holland, Kay A – Mitchell
Jackson, Corinne K – Sioux Falls
Kemna, Randee L – Sioux Falls
Kreeger, Mindy L – Sioux Falls
McLane, Isabel M – Tea
Popkes, Darla R – Rapid City
Rehfeldt, Sharon D – Sioux Falls
Schumacher, Cindy – Madison
Smith, Sharon K – Canton
Tuttle, Jennifer L – Sioux Falls
VanBockern, Tamara D – Canton
Wagner, Tonya M – Sioux Falls

Inactive Salespeople

Berven, Douglas C – Sioux Falls
Bouma, Timothy R – Louisville, KY
Davis, Patrick M – Sioux Falls
DeBoom, Steven – Sioux City, IA
Dunlop, Michael L – Sioux City, IA
Fejfar, Patricia L – Spearfish
Ford, Jr., Joe B – Pierre
Guiana, Mark L – Meridian, ID
Gunderson, Tom E – Bismarck, ND
Haggart, Timothy F – Piedmont
Holzwarth, Neil W – Hill City
Keating, Tiffany E – Canby, MN
Knutson, Duane G – Brookings
Kolb, Grace M – Sioux Falls
Kolb, Perry L – Sioux Falls
Krueger, Fredric A – Milford, IA
Lage-Landguth, Jennifer S – Rapid City
Lewis, Chad C – Rapid City
Lindwurm, Esther I – Burke
McKay, Brian K – Sturgis
Mentele, Marcia M – Sioux Falls
Moffitt, Catherine J – Granada, MN
Mundon, Kent E – Rapid City
Nester, Lowell L – Reeder, ND
Olson, Kimberly S – Lemmon
Pederson, Patricia M – Sioux Falls
Petty, Theresa M – Sioux City, IA
Ramm, James J – Atkinson, NE
Robbins, Renae R – Sioux Falls
Schutte, Timothy D – Ocheyedan, IA
Shaw, Sheila A – Sturgis
Simon, Steve N – Groton
Smalley, Carey L – Pierre
Stephenson, James L – Sioux City, IA
Taggart, Samantha J – Sioux City, IA
Tollefson, Ryan – Luverne, MN
Uher, Brigitte M – Sioux Falls
Vriezelaar, Collene M – Sioux City, IA
Williams, Leslie A – Sioux City, IA
Williams, Roger A – Langford

Inactive Timeshare Agents

Blessing, Barry R – Keystone
Caple, Carol L – Sumner, WA
Crans, David H – Kula, HI
Crans, Marnie – Kula, HI
Lawler, Jeffrey L – Las Vegas, NV
Wright, Donnadell M – Sioux Falls

APPRAISER UPDATE

This section of the South Dakota Real Estate Review is the responsibility of the South Dakota Department of Revenue and Regulation Appraiser Certification Program. Articles are printed here to communicate pertinent information to those appraisers who receive this newsletter and are licensed under the Certification Program. Appraiser certification inquiries can be directed to Sherry Bren, Program Administrator, 445 E. Capitol, Pierre, SD 57501, 605-773-4608.

Appraiser Certification Program Mission – Purpose – Intent

The Appraiser Certification Program was implemented July 1, 1990, pursuant to enactment of Title XI of the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) by Congress. The mission of the Program is to certify, license and register appraisers to perform real estate appraisals in the state of South Dakota pursuant to Title XI (FIRREA). The purpose of the Program is to examine candidates, issue certificates, investigate and administer disciplinary actions to persons in violation of the rules, statutes and uniform standards, and approve qualifying and continuing education courses. Title XI intends that States supervise all of the activities and practices of persons who are certified or licensed to perform real estate appraisals through effective regulation, supervision and discipline to assure their professional competence.

Appraiser Certification Program Advisory Council

Council members provide recommendations to the Secretary of the Department of Revenue and Regulation in the areas of program administration in order to sustain a program that is consistent with Title XI. The Council meets quarterly in public forum. See the Website for meeting information. www.state.sd.us/appraisers



New Licensees – December 2006/January 2007

Roberta D. Nichols, State-Registered – Aberdeen, SD
Mark D. Neugebauer, State-Registered – Dimock, SD
Brent Reausaw, State-Registered – Lead, SD
Kelly A. Longstaff, State-Registered – Rapid City, SD
Kenneth Jaggers, State-Certified General – Westwood, KS
Robert J. Brockman, State-Certified General – Wheatland, WY
Gordon R. Tuchenhausen, State-Certified General – Minneapolis, MN
William R. Ludenia, State-Certified General – Brainerd, MN
Kirk B. Corson, State-Certified General – Coon Rapids, MN
Richard M. Dill, State-Certified Residential – LeMars, IA

Information Regarding Disciplinary Actions

Public information regarding disciplinary action taken against an appraiser is available upon written request to the Department of Revenue and Regulation, Appraiser Certification Program, 445 East Capitol Avenue, Pierre, SD 57501 or e-mail – Sherry.Bren@state.sd.us. Include in the request for information the name of the appraiser and the appraiser's city and state of residence. (Disciplinary action may include denial, suspension, censure, reprimand, or revocation of a certificate by the department. (ARSD 20:14:11:03))

The following disciplinary action has been taken by the Appraiser Certification Program:

Department Complaint Case # 06-230, Jeff F. Ronsiek, Okoboji, Iowa. The Department of Revenue and Regulation issued a Final Order denying Jeff F. Ronsiek's application for State-Certified Residential Appraiser by reciprocity for violation of ARSD 20:14:11:03(2), (4), (10), and (14).

Review of Cases – January 1, 2007 through February 8, 2007

For the period January 1, 2007 through February 8, 2007 the Department has received 4 upgrade applications, 1 new application claiming experience and initiated 3 complaint investigations.

Upgrades – 3 pending and 1 issued
New Application Claiming Experience – 1 pending
Complaints – 3 pending

Most Common USPAP Violations: Does Disclosure of Your Relationship Trump Bias?

[Article written by Craig Steinley, Consultant for the Department of Revenue and Regulation at the request of the Department]

At the recent National 7-Hour USPAP Course offered at the Professional Appraisers Association of SD (PAASD) Annual Meeting in January, 2007 in Mitchell, SD, the topic of completing an appraisal assignment involving a relative or business associate was discussed. AQB Certified USPAP Instructor Mark Smeltzer, SRA fully discussed the circumstances in which many registered,

licensed, and certified appraisers in South Dakota have made a common mistake.

Suppose that you are asked to complete a real estate appraisal assignment in which the subject property involves a person that is related to you via family ties or business interests. Examples include the sale of the appraiser's son's new construction spec home, the appraiser's sibling that is selling or buying a personal residence, the appraiser's cousin that is refinancing, the appraiser's brother-in-law that is also the loan officer in the transaction, or the appraiser's former or current business partner (something other than the practice of real estate appraisal) who requires a real estate appraisal for estate planning. The **common misconception** is that these appraisals can be completed in compliance with USPAP provided that the appraiser discloses their relationship or business interest. It may surprise you to know just how vulnerable this decision may leave you to future regulatory action or civil liability.

Standards Rule 2-3 clearly illustrates why such appraisals are almost always NOT in compliance with USPAP. One of the required certifications (USPAP 2006 Edition, lines 939-941) states:

- I have no (or the specified) present or prospective interest in the property that is the subject of this report and no (or the specified) personal interest with respect to the parties involved.

Thus, disclosure of the 'personal interest' that you may have with one of the parties is sufficient for this certification and may explain why many appraisers in South Dakota falsely believe that it is also sufficient to comply with the whole of USPAP. However, the next required certification (USPAP 2006 Edition, lines 942-943) is the heart of the matter.

- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

So, if you are perceived to have a bias (either stated or implied) due to your relationship to a party involved in the assignment, completing the appraisal would violate USPAP no matter the disclosure that you might include. Put another way, there is nothing in USPAP that allows you to "disclose away your bias" and complete the assignment anyway.

USPAP defines **bias** as *"a preference or inclination that precludes an appraiser's impartiality, independence, or objectivity in an assignment"*. (USPAP 2006 edition, lines 54-55). At the course in Mitchell, well over 95% of those registered, licensed, and certified professional appraisers in attendance considered each of the illustrated scenarios above to lead to an obvious or perceived bias. Remember, these are your peers in the industry and their business practice defines the judgment as to whether your actions would comply with USPAP. If you choose to complete the assignments outlined above, prepare for the issues that arise when you violate USPAP. Worse yet, imagine trying to explain to a jury of twelve non-appraisers in a civil courtroom that you weren't biased by your relationship with one of the parties to the transaction in any of these cases.

The bottom line – disclosure never trumps bias! Accepting an appraisal assignment that involves a party related by family ties or business interests will almost always violate USPAP no matter the disclosures that you make within the report. If you are perceived to have a bias, you should not complete the assignment.

USPAP Q & A

Vol. 8, No. 12, December 2006

1. Conflicts of Interest

Question: The principals of a local mortgage company propose to acquire an appraisal firm and have the appraisal firm complete assignments for the mortgage company. Is this a conflict of interest for the appraisers completing assignments for the mortgage company?

2. Sample Appraisals and the ETHICS RULE

Question: I am a fee appraiser currently seeking to get on the approved list for a local mortgage company. In order to be considered for approval, this lender requires appraisers to provide sample appraisal reports performed within the past year. Is there a way that I can accomplish this without violating USPAP?

3. Responsibility for Workfile Retention

Questions: a) Jim, an independent contractor, works for my appraisal company on a regular basis. I have always

kept all appraisal file documentation (including hard copies of appraisal reports, field notes, drawings, etc.) at my office. Now Jim wants to keep the files relating to his work in his own possession. Under USPAP, which appraiser should keep the workfile?

b) Is the Record Keeping section of the ETHICS RULE upheld if an institutionally employed appraiser ensures that his organization retains copies of his appraisal work for five years? Or, must the appraiser also maintain a personal file of all work performed?

c) A client's attorney requested that I supply all of my files/records regarding an assignment. Can I do this and still be in compliance with the record keeping requirements for USPAP? Also, what must I retain in my files as proof that the files are now the responsibility of the attorney? Will a simple letter from the client be sufficient?

4. Appraisal Management Company as Authorized Agent for a Client

Question: I accept assignments from an Appraisal Management Company (AMC) that has informed me they are an authorized agent for the lenders they represent. The AMC does not want me to list their name as the client, and asks that I only list the name of the lender they are representing. USPAP says the appraiser's client is the party who engages the appraiser. Is it ethical to omit the AMC's name as the client on my reports?

5. Subsequent User Requests a "Reliance Letter"

Question: I delivered an appraisal report to my client. A week later, an entity other than one of the identified intended users contacted me and asked that I provide a "reliance letter," enabling them to rely on the appraisal report for their own investment use. My client says they have no problem with my doing that. Can I provide this entity with such a letter, even though I had not originally identified them as an intended user?

6. Purchase Contract Is Not Provided to the Appraiser

Question: I was recently engaged to conduct a market value appraisal of a one-to-four unit residential property. The intended use of this appraisal is to assist the client in analyzing the loan collateral associated with the property's purchase. I

requested a copy of the purchase contract from the client, but they refused to provide it although they acknowledged that a contract for purchase of the property in fee simple exists. They did, however, provide a sale price orally. Can I continue this assignment, without the purchase contract, and comply with USPAP?

7. Update of an Appraisal Completed by Another Appraiser

Question: I was recently asked to update an appraisal performed by another appraiser who works for a different appraisal company. Can I prepare an update if the original appraisal was performed by another appraiser?

Vol. 9, No. 1, January 2007

“Effective Date” of USPAP

Question: Does the 2006 USPAP apply in 2007?

Changes to 2006 USPAP

Question: Is the Appraisal Standards Board considering changes to the 2006 edition of USPAP?

Next Edition of USPAP

Question: When will the next edition of USPAP be available?

Vol. 9, No. 2, February 2007

Appraisal versus Appraisal

Consulting Assignment

Question: What is the difference between an appraisal assignment and an appraisal consulting assignment?

Market Rent Opinion

Question: I was asked by a client to provide an opinion of the market rental rate for a commercial property. Is such an assignment considered an appraisal?

Income and Expense Analyses

Question: I was asked by a client to prepare a five-year market-based forecast of income and expenses for a specific commercial property. Is such a request an appraisal assignment or an appraisal consulting assignment?

The answers to the above USPAP

Q&As can be found at:

www.appraisalfoundation.org

Real Estate Appraiser Minimum National Requirements Changing Effective January 1, 2008

IMPORTANT CHANGES TO APPRAISER QUALIFICATIONS!!

On February 20, 2004, the Appraiser Qualifications Board of the Appraisal Foundation adopted changes to the *Real Property Appraiser Qualification Criteria* that will become effective on January 1, 2008. These changes represent the minimum national requirements that each state must implement for individuals applying for a real estate appraiser license or certification as of January 1, 2008. The changes include increased required education, which is summarized as follows:

Category	Current Requirements ¹	1/1/08 Requirements ^{1 2}	1/1/08 College-Level Course Requirements ³
License	90 hours	150 hours	None
Certified Residential	120 hours	200 hours	Twenty-one (21) semester credit hours covering the following subject matter courses: English Composition; Principles of Economics (Micro or Macro); Finance; Algebra, Geometry or higher mathematics; Statistics; Introduction to Computers-Word Processing/Spreadsheets; and Business or Real Estate Law. In lieu of the required courses, an Associate degree will qualify.
Certified General	180 hours	300 hours	Thirty (30) semester credit hours covering the following subject matter courses: English Composition; Micro Economics; Macro Economics; Finance; Algebra, Geometry or higher mathematics; Statistics; Introduction to Computers - Word Processing/Spreadsheets; Business or Real Estate Law; and two (2) elective courses in accounting, geography; ag-economics; business management; or real estate. In lieu of the required courses, a Bachelors degree will qualify.

¹Hours required include completion of the 15-hour National USPAP Course (or its equivalent).

²Hours required include specific coverage of multiple topics-please see the *RealProperty Appraiser Qualification Criteria* for details.

³College-level courses and degrees must be obtained from an accredited college or university.

Please note that individual states may adopt requirements more stringent than the national requirements, and may opt to impose those requirements prior to January 1, 2008. Therefore, applicants for a real estate appraisal license or certification should always check with their state for individual requirements.

The Appraiser Qualifications Board intends to issue additional guidance regarding implementation of the revised Criteria in the near future. Please be sure to check our web site at www.appraisalfoundation.org for the latest information. Questions regarding the national requirements can be directed to John S. Brenan, Director of Research & Technical Issues at The Appraisal Foundation, 1029 Vermont Avenue, NW, Suite 900, Washington, DC, 20005, via e-mail to john@appraisalfoundation.org or phone at (202) 624-3044.

Contact the Appraiser Certification Program, 445 East Capitol Avenue, Pierre, South Dakota 57501, 605.773.4608 or sherry.bren@state.sd.us to request an upgrade information packet.

2007 Spring Caravan Registration Form – Fair Housing

One registration form per person!

Name _____ License Number and Type _____

(Mailing Address) (City) (State) (Zipcode) (Daytime Phone)

Please check which you would like to attend. Registrations left blank will be returned.

- | | | |
|---|---|---|
| <input type="checkbox"/> Sioux Falls – April 17 | <input type="checkbox"/> Sioux Falls – April 18 | <input type="checkbox"/> Watertown – April 19 |
| <input type="checkbox"/> Aberdeen – April 20 | <input type="checkbox"/> Rapid City – April 23 | <input type="checkbox"/> Spearfish – April 24 |
| <input type="checkbox"/> Pierre – April 25 | | |

Registrations received by phone or fax will NOT be accepted. The registration fee of \$50 must accompany this form. The Commission will retain \$20 of any refunded registration fee. Registrations should be mailed to SDREC, 221 W. Capitol Ave., Suite 101, Pierre, SD 57501.

Registrations are due 5 days before the event.

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